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TAGS: [PGOV](#) [KCOR](#) [KDEM](#) [IZ](#)
SUBJECT: ANTI-CORRUPTION DEVELOPMENTS IN IRAQ

REF: BAGHDAD 584

Classified By: ANTI-CORRUPTION COORDINATOR JOSEPH STAFFORD, REASON 1.4
(B AND D)

REQUEST TO JOIN UN/WORLD BANK PROGRAM ON ASSET RECOVERY

¶1. (SBU) Per a March 17 letter to the UN Office of Drugs and Crime (UNODC) from the head of the Commission on Integrity (COI), Judge Rahim Al-Ugaili, the GOI has submitted a formal request to join the Stolen Asset Recovery (StAR) Initiative, jointly sponsored by the UNODC and the World Bank. This initiative, unveiled in 2007, is designed to strengthen developing countries' capability to recover public assets lost through criminal activities -- corruption, tax evasion, etc. -- and transferred overseas. The initiative, involving implementation of relevant provisions of the United Nations Convention against Corruption (UNCAC), envisages a pilot program of legal and technical assistance for developing countries in such areas as investigation, tracing, prosecution, and repatriation of assets.

¶2. (SBU) (COMMENT: The COI's request to join the StAR Initiative is a welcome development and underscores the Iraqi authorities' concern to recover the funds, estimated in the billions of dollars, that corrupt senior officials have shipped abroad, both during and subsequent to Saddam's regime. The GOI is also keen to arrange extradition of those corrupt officials residing abroad, e.g., former Defense Minister Shalaan, who fled Iraq in 2005 after allegedly stealing \$1.3 billion in GOI funds. The GOI is currently hampered in its efforts at asset recovery by an inadequate legal framework as well as lack of practical experience; the StAR initiative holds the prospect of offering the GOI much-needed capacity-building assistance. END COMMENT)

INTERIOR MINISTER'S HOUSE-CLEANING

¶3. (C) The local media replayed Interior Minister Jawad Al-Bulani's recent piece in the Chicago Tribune claiming to have dismissed 62,000 MOI employees involved in corruption and other criminal activities since his appointment in 2006. He went on to claim success in dismantling sectarian militia networks that had infiltrated the MOI following Saddam's removal. (COMMENT: Judging from the local media reports, Al-Bulani did not elaborate on the dismissals -- e.g., whether senior officials were among those dismissed, whether any removed officials were prosecuted, details on corruption and other criminal schemes uncovered, etc. Nonetheless, we regard his claim of 62,000 dismissals as plausible, as our contacts generally agree that Al-Bulani has indeed made some headway in eliminating corrupt police officers and other Ministry employees and in removing the sectarian militia elements -- e.g. members of the shia Jaysh Al-Mahdi (JAM) and Badr Corps -- that had installed themselves in the MOI. A key factor in Al-Bulani's effort is the biometrics program instituted by the U.S. military; as a result of that program, thousands of police officers with criminal records were identified and removed. Also, a considerable number

dismissed were ghost employees uncovered by payroll control measures also instituted by the U.S. military. At the same time, we are told that the MOI remains plagued by residual corrupt practices (such as payment of bribes to secure appointments as policemen) and that Al-Bulani's house-cleaning is far from complete. END COMMENT)

UPDATE ON GOI'S ANTI-BRIBERY CAMPAIGN

¶4. (SBU) As part of the GOI's recently-announced campaign against bribery (reftel), the Health Ministry's Inspector General (IG), Dr. Adil Muhsin, hosted a conference in Baghdad QGeneral (IG), Dr. Adil Muhsin, hosted a conference in Baghdad on March 21 that brought together officials from the principal anti-corruption institutions -- IG corps, COI, and Board of Supreme Audit (BSA). Staff of the Anti-Corruption Coordinator's Office (ACCO) were on hand. An array of speakers acknowledged that bribery was widespread in the GOI and, to combat it, called for, inter alia, greater transparency in government operations, a strong commitment from the GOI leadership to crack down on bribery, and reform of anti-bribery laws. There were calls for the establishment of an ombudsman in each Ministry to receive citizens' complaints. A highlight of the event was the Labor and Social Affairs Ministry's IG publicly confronting the COI; the IG claimed that his office had prepared a well-documented bribery case and submitted it to the COI a year and a half ago for further investigation and referral to the judiciary for prosecution. The IG complained that, in the intervening year and a half since submission of the case, the COI had failed to take any action on it. (COMMENT: COI representatives at the conference made no rebuttal -- at

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least publicly -- to the IG's allegation. Other IG's have also criticized the COI for delays in acting on cases they submit to it. END COMMENT)

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